DOCUMENT RESUME

ED 213 478 JC 820 116

AUTHOR Nicholson, R. Stephen
TITLE Chief Executive Officers Contracts and Compensation, 1981: A Study of the Contract Provisions, Language, Benefits, and Compensation of Chief Executive Officers of Two-Year Colleges for the 1981 Year.
INSTITUTION American Association of Community and Junior Colleges, Washington, DC. Presidents Academy.
PUB DATE 81
NOTE 63p.
AVAILABLE FROM American Association of Community and Junior Colleges, One Dupont Circle, NW, Washington, DC 20036 ($10.00).

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Administrator Responsibility; *College Presidents; Community Colleges; *Compensation (Remuneration); *Contracts; Dismissal (Personnel); *Employment Practices; *Fringe Benefits; National Surveys; Personnel Policy; Questionnaires; Retirement Benefits; Salaries; *Two Year Colleges

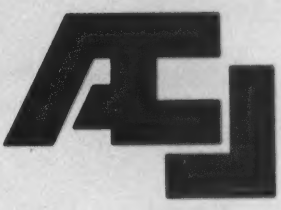
ABSTRACT

In June 1981, the Presidents Academy conducted a study of the contract and compensation arrangements for chief executive officers (CEO's) of two-year colleges in the United States and its territories and Canada. Responses were received from 639 of the 1,231 colleges surveyed; 90% were public colleges. The study revealed that: (1) 72% of the CEO's had a contract; (2) contract terms ranged from one to five years, with 26% being for one year; (3) 40.5% of the contracts provided for annual review; (4) only 2% of the contracts specified the basic duties of the CEO; and (5) 8% provided for evaluation. The mean salary of CEO's was $48,402.09, and a clear relationship was revealed between enrollment and salary. With regard to other benefits, 25% of the colleges provided a home or housing allowance; 61.2% offered health benefits; 43% provided family tuition benefits; 71% paid a travel allowance; and 70% offered life insurance. The mean benefits of CEO's amounted to $13,258. The study report considers findings in terms of regional and institutional size differences. It includes a discussion of factors influencing compensation and excerpts from CEO contracts which cover areas including appointment, term, reappointment, duties, extent of services, housing, automobile allowance, liability, retirement, sabbaticals, disability, documentation, evaluation, discharge, termination, vacation, moving expenses, and contract clarification. The survey instrument is appended. (HB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED213478

CHIEF EXECUTIVE OFFICERS CONTRACTS AND COMPENSATION 1981



"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

William Harper

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

PRESIDENTS ACADEMY

AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES

CHIEF EXECUTIVE OFFICERS CONTRACTS AND COMPENSATION 1981

A study of the contract provisions, language, benefits, and compensation of chief executive officers of two-year colleges for the 1981 year.

By
R. Stephen Nicholson

for
The Presidents Academy
of the
American Association
of Community and Junior Colleges

Price: $10.00

Copyright: 1981
American Association of
Community and Junior Colleges
One Dupont Circle, NW
Washington, DC 20036

CONTENTS

	Introduction	v
	Foreword	vii
I	Scope of Study	1
II	Contracts	5
III	Factors Influencing Compensation	35
IV	Salary	37
V	Benefits	41
	Appendix	

TABLES

I	Responding Independent and Public Colleges by State and Area	2
II	Regional Description	3
III	Regional Representation - Independent and Public Two-Year Colleges	3
IV	Size of the Colleges - 1979 Full-Time Equated Enrollment	4
V	Type of Contract	5
VI	CEO Contract Length	6
VII	Contract Renewal Pattern	6
VIII	Enrollment Size and CEO Salary	37
IX	Regional Mean Salaries for CEO	38
X	Rank Order for CEO Salaries by Regions	39
XI	CEO Mean Salaries by State	40
XII	Home Provided by College	41
XIII	Housing Allowance	42
XIV	House or Cash Allowance by College Size	43
XV	Regional Health Benefits	44
XVI	Medical Insurance Costs	44
XVII	CEO Paid Holidays	46
XVIII	CEO Paid Vacation Days	46
XIX	College Paid CEO Benefits by Frequency and Dollars	51
XX	CEO Mean Benefit Dollars by FTE Enrollment Size	52
XXI	CEO Mean Benefit Dollars by Region	53

INTRODUCTION

Chief Executive Officers Contracts and Compensation was sponsored by the Presidents Academy of the American Association of Community & Junior Colleges as a particular service to chief executive officers of AACJC member institutions. The purpose of the study provides community college leaders with up-to-date, comparative data relative to the compensation of chief executive officers and certain provisions of their employment contracts. The study was directed by Dr. R. Stephen Nicholson, President of Mt. Hood Community College, Gresham, Oregon, and Chairman-elect of the Presidents Academy.

The Presidents Academy was formally established in 1975 by the AACJC Board of Directors. The Presidents Academy is concerned with the roles, welfare, and development of chief executive officers. It provides opportunities to exchange ideas, a program for inservice professional development, and means of expressing concerns of chief executive administrators. The purposes of the organization are to serve chief executive officers, promote the institutions, and assist AACJC in fulfilling its goals.

Presidents Academy members are provided with professional development opportunities by participation in special programs sponsored annually by the Presidents Academy. Chief among those special programs are Winter Seminars, a Seminar for New Presidents, a Presidents Forum each summer, special forums and workshops at the AACJC and other national conventions, and for the first time in 1982, Advanced Leadership Institutes. Other activities of interest to presidents and sponsored by the Presidents Academy are special studies and reports; special issues of the AACJC *Journal;* and the publication of *The Presidents Book.*

It is sincerely hoped that Chief Executive Officers Contracts and Compensation will be beneficial to the members of the Presidents Academy, and special thanks is expressed to Steve Nicholson for his outstanding leadership of the study and to the chief executive officers who participated in, and made the study possible, by submission of contract data.

Dale B. Lake, President
Kalamazoo Valley Community College
and
Chairman, Presidents Academy

2/11/82

CHIEF EXECUTIVE OFFICERS CONTRACTS AND COMPENSATION AACJC PRESIDENTS ACADEMY 1981

FOREWORD

The executive committee of the Presidents Academy met with Dr. Dale Parnell early in his tenure as president of the AACJC to discuss effective ways to support the activities of the colleges and presidents. With his encouragement, the Academy decided to proceed with this review of chief executive officers' contracts and compensation.

The relationship between the board and the president of a community college is central to the success of the college, the board, and the president. In July of 1981, the executive board of the Presidents Academy initiated this review of these contracts which provide one source of information about board-CEO relationships.

Success for the board, the college, and the president is a goal each college seeks to attain. Contracts reflect an effort to specify the relationships and responsibilities to the board and college that a president or chief executive officer is expected to fulfill. Because the colleges vary in size and local conditions, a president's contract and compensation vary with these factors.

Since the relationship between the CEO and the college board is unique, the contract between them is a mixture of private and public interests. Some private colleges never disclose contract contents to outsiders. In public colleges, sunshine laws make these available. In all cases, it is a sensitive area and complete data for comparisons are difficult, if not impossible, to obtain.

Frequently, the available information is partial, hearsay and outdated. Despite sunshine laws, the contract and its provisions are sensitive pieces of information subject to misquote and partial review by its multiple critics in any community.

Since there is but one CEO for a college, it is difficult for the president and the board to view this contract and its provisions relative to similar colleges. Often no other college in the state or area has similar characteristics.

Local control by elected or appointed boards of trustees is a major characteristic of community colleges. This results in a fundamental difference in the application of philosophy, mission and operations to these local situations as they adapt to economic, educational and political circumstances.

These configurations of values and the functional complexities realized in implementing them result in a varied set of expectations for each college's president. Consequently, contractual arrangements and compensation reflect these differences between the colleges.

The Presidents Academy through this monograph hopes to provide a realistic profile of the similarities and differences in the contracts and compensation arrangements of the two-year colleges. While some of the statistical data may be averaged and means are presented, it is not possible to determine or include the total implicit and explicit expectations that are a major part of the CEO contract.

A major purpose for this study is to provide timely, accurate and comparable information to boards and presidents. Unique situations call for unique responses. What may be a logical answer for one college may be antithetical to the best interests of its neighbor.

In this context, seeming discrepancies between colleges of comparable size or locations often must be considered as indicators of conditions and expectations that are not comparable and may be vastly different.

February 1982 R. Stephen Nicholson

I

SCOPE OF THE STUDY

Following the decision in late June of 1981 to do the study, all two-year colleges were asked to participate. By October, almost three hundred had responded. In order to enhance the validity of the study, a second request for data was issued and by December 1, 1981, six-hundred-and-thirty-nine of the 1231 colleges listed in the AACJC 1980 directory had responded. When the AACJC member colleges are considered, the responses represent about two-thirds of the current membership. Approximately 55 percent of the 1,049 public, and 29 percent of the 182 independent two-year colleges participated.

This response based on assurances of confidentiality is strong and the report reflects contracts in force for the 1981-82 academic/fiscal year. The findings here regarding salary closely correlate with the study of executive salaries for two-year colleges reported in the Chronicle of Higher Education in December of 1981. The College and University Personnel Association study is independent of the present report.

A copy of the questionnaire used to gather this data is included as Appendix I. More detailed data than that reported here may be drawn from the responses, but the report is designed to provide state, size, and regional comparisons on a statistical basis and preserve the confidential individual situations. When there is no data for an analytical category, the space is identified "N/A" to signify this void.

Perhaps it is indicative of the times that several presidents, in response to the request "for a copy of your contract," forwarded copies of the college collective bargaining agreement rather than their individual contract with the local board.

STATE PARTICIPATION

Responses were received from forty-seven states, Canada, Guam, Puerto Rico, and trust territories. California colleges account for 79 (12.4%) of the 639 responses in the study. North Carolina and Texas represent 6.6 percent and 6.1 percent of the sample. Illinois accounts for 5.5 percent with New York next at 4.5 percent. These states comprise 35.1 percent of the study.

The 53 independent colleges represent 8.3 percent of the respondents and provide sufficient data for analysis and comparative use of this segment.

TABLE I
RESPONDING INDEPENDENT AND PUBLIC COLLEGES BY STATE AND AREA

State & Area	Independent	Public	Total Reporting	Rel. Freq. (PCT)
Alabama	3	15	18	2.8
Alaska	0	5	5	.8
Arizona	0	10	10	1.6
Arkansas	1	8	9	1.4
California	2	77	79	12.4
Canada	0	3	3	.5
Colorado	0	10	10	1.6
Connecticut	1	9	10	1.6
Florida	2	20	22	3.4
Georgia	1	8	9	1.4
Guam	0	1	1	.2
Hawaii	0	3	3	.5
Idaho	0	1	1	.2
Illinois	3	32	35	5.5
Indiana	1	2	3	.5
Iowa	1	14	15	2.3
Kansas	1	14	15	2.3
Kentucky	4	8	12	1.9
Louisiana	0	2	2	.3
Maine	0	1	1	.2
Maryland	0	10	10	1.6
Massachusetts	0	6	6	.9
Michigan	1	16	17	2.6
Minnesota	1	7	8	1.2
Mississippi	1	11	12	1.9
Missouri	1	8	9	1.4
Montana	0	3	3	.5
Nebraska	0	9	9	1.4
Nevada	0	4	4	.6
New Jersey	1	11	12	1.9
New Mexico	0	5	5	.8
New York	5	24	29	4.5
North Carolina	6	36	42	6.6
North Dakota	0	5	5	.8
Ohio	3	21	24	3.7
Oklahoma	1	11	12	1.9
Oregon	1	12	13	2.0
Pennsylvania	2	12	14	2.1
Puerto Rico	3	1	4	.6
Rhode Island	0	1	1	.2
South Carolina	0	9	9	1.4
Tennessee	2	9	11	1.7
Texas	3	37	39	6.1
Trust Territories	0	1	1	.2
Utah	0	4	4	.6
Vermont	2	2	4	.6
Virginia	1	15	16	2.5
Washington	0	21	21	3.3
West Virginia	0	2	2	.3
Wisconsin	0	13	13	2.0
Wyoming	0	7	7	1.1
Other	0	0	10	1.6
TOTALS	**53**	**576**	**639**[1]	**100.0**

[1]The totals for public and independent colleges reflect 10 reporting institutions that failed to identify their status, however, their other data are included in the totals of the study.

REGIONAL PARTICIPATION

In order to make the analysis more useful, state patterns are arranged into regional clusters.

The most useful regional design is not the usual accrediting association regional pattern. The federal regional grid corresponds to the accepted economic and geographical differences and has been used in some tables for comparative purposes.

TABLE II
REGIONAL DESCRIPTION

Region		State Included
	CANADA	
I	NEW ENGLAND	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
II	NORTHEAST	New Jersey, New York, Puerto Rico
III	MID ATLANTIC	Delaware, Washington DC, Maryland, Pennsylvania Virginia, West Virginia
IV	SOUTH	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee
V	UPPERMIDWEST	Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
VI	SOUTHWEST	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
VII	MIDWEST	Iowa, Kansas, Missouri, Nebraska
VIII	MOUNTAIN	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
IX	FAR WEST	Arizona, California, Hawaii, Nevada, Trust Territories, Guam
X	NORTHWEST	Alaska, Washington, Oregon, Idaho

TABLE III
REGIONAL REPRESENTATION
INDEPENDENT AND PUBLIC TWO-YEAR COLLEGES

Region		Colleges Resp.	Indep.	Public	Relative Frequency (PCT)
	Canada	3	0	3	.6
I	New England	22	3	19	3.4
II	Northeast	46	9	36	7.2
III	Mid Atlantic	42	3	39	6.6
IV	South	138	19	116	21.6
V	Upper Midwest	100	9	91	15.6
VI	Southwest	71	4	63	11.0
VII	Midwest	48	3	45	7.5
VIII	Mountain	30	0	29	4.7
IX	Far West	99	2	96	15.5
X	Northwest	40	1	39	6.3
	TOTALS	**639**	**53**	**576**	**100.0**

INDEPENDENT COLLEGES

Independent colleges represent 8.3 percent of the sample. Ten colleges failed to identify their status. Public colleges represent 90 percent of the study sample.

SIZE RELATIONSHIP

Size is a major variable, or factor, in any organizational study. For the purposes of this study, size is one positive indicator of the scope of the responsibilities of the president. Staff size and budget are usually determined by full-time equated (FTE) student enrollment. For this reason, student enrollment was the indicator selected. The 1980 HEGIS figures for FTE enrollment were used as the size variable. This was the most reliable data on college size available.

Mean size for the colleges in this report is 5,055 FTE. Size ranged from a low of 21 to 65,196 in the largest case.

On a cumulative frequency, 59 percent of the colleges are 5,000 FTE or smaller, with 45.5 percent enrolling 3,000 or less FTE.

TABLE IV

SIZE OF THE COLLEGES
1979 FULL-TIME EQUATED ENROLLMENT

FTE Enrollment	Colleges Resp.	Adjusted Frequency (PCT)	Cumulative (PCT)
1,000 or less	70	10.4	10.4
2,000 or less	145	22.6	33.0
3,000 or less	74	12.5	45.5
4,000 or less	59	9.0	54.5
5,000 or less	25	4.5	59.0
10,000 or less	96	15.0	74.0
15,000 or less	32	5.0	79.0
20,000 or less	22	3.0	82.0
20,000+	27	4.0	86.0
Missing	89	14.0	100.0
TOTAL	**639**	**100.0**	-

II

CONTRACTS

CHIEF EXECUTIVE OFFICER'S CONTRACT FORM

An initial question was whether or not a written contract exists between the CEO and the board.

In 28 percent of the colleges reporting, there does not appear to be a formal document or contract between the board and its CEO. In the absence of such a document, a simple board resolution or action appears to be the basis of the CEO "contract."

The study did not address the question of whether this type of "handshake" relationship is increasing or decreasing.

Casual conversations about this seem to indicate that older CEOs with extended tenure in one college may judge a written contract as demeaning and unnecessary.

Younger executives expect a clearer or explicit statement in written form which includes a job description and expected duties, benefits, and relationships outlined in more detail. Boards also tend to be more specific when new CEOs are employed.

In 72 percent of the reporting colleges there is a "document" which is considered to be a contract.

TABLE V

TYPE OF CONTRACT

	Frequency (PCT)
No Contract	28.0
Board Resolution	4.0
Standard Professional Contract	6.0
Individual Contract	62.0
	100.0

LENGTH OF CONTRACT

Contract terms range from one to five years. Twenty-six percent of the contracts were for one year. Half of the one-year contracts are tied to tenure as a member of the faculty and thus assure job security beyond one year, but not as CEO.

Some of the contracts are for a specific length but have an annual automatic renewal which extends them unless one party serves notice of intention not to extend the contract.

When contracts are written, there is a preference for the one-year term in 26.3 percent of the cases. The pattern among the colleges also shows a preference for three-year terms over two-year terms, 21.6 percent to 11.9 percent.

Independent college presidents frequently have open-ended appointments.

TABLE VI

CEO CONTRACT LENGTH

	Colleges Responding	Relative Frequency (PCT)
No contract	179	28.0
One year	168	26.3
Two years	76	11.9
Three years	138	21.6
Four years or more	78	12.2
	639	**100.0**

CONTRACT RENEWAL

There is an annual contract review reported for 40.5 percent of the college CEOs.

TABLE VII

CONTRACT RENEWAL PATTERN

	Colleges Responding	Relative Frequency (PCT)
Annual review	259	40.5
At end of term	213	33.4
No annual review	64	10.0
No report	103	16.1
	639	**100.0**

If we assume the "no report" category may indicate no review or evaluation takes place, then 26.1 percent of the contracts are not reviewed. The combination of no annual review and no report on a contract review appears related to the 28 percent who report they have no written contract. Where no contract exists, review is unnecessary or functionally difficult.

CONTRACT TERMS AND PROVISIONS

One-hundred-and-nineteen of the college CEO's contracts were forwarded for analysis. This represents 18.6 percent of the colleges participating in the sample.

While the motto "get it in writing" is a basic organizational cliche, some boards and chief executive officers do not have formal contracts. There are instances where these relationships have continued for years without confusion or interruption.

Since most community colleges are publicly supported, their boards change more frequently than those of the independent colleges. Whether by appointment or election, these changes often introduce new board members with different expectations which can lead to misunderstandings of both role and function between the CEO and the board unless the contract clarifies and specifies these expectations.

The CEO contracts, like college policy, often seem to reflect the past history of the college, its community, and the board by specifically including what is not wanted or to be avoided rather than a map of new expectations.

Based on the 119 contracts available for analysis, the following items or sequences characterize their content and the practices of the colleges in dealing with CEO contracts.

BOARD RESOLUTION OR LETTER (4 percent)

These types of contracts are expressed by either a copy of the board minutes or a letter reflecting board action.

Four percent of the contracts submitted utilize this procedure to express CEO-board relationships. Included in some are the expected fringe benefits, and one instance refers to an appended statement which apparently specifies the actual salary to be paid.

References to specific job descriptions and responsibilities or policy statements or duties are usually lacking in these contracts.

STANDARD PROFESSIONAL FORM OR STATE CONTRACT FORM (6 percent)

These contracts generally represent a uniform treatment of all professional employees of a state or individual college system.

They further refer to specific college policies and personnel policies as a part of the contract. Several specify both present and future policies as expression of the performance expected.

Frequently these contracts refer to state statutes and personnel laws as either disclaimers or binding aspects of the contract -- "This contract is subject to all terms and provisions of the statutes of the State of _____, the rules and regulations of the _____ state board of education, and the rules and regulations of the _____ community college board of trustees."

Several contracts also contain the condition that the compensation will be paid only when sufficient funds are available to the college -- "if the total amount contracted for employes' salaries exceeds the amount hereafter budgeted for such purposes, any contract provision for payment of such excess shall be inoperative and void and all contracts shall be reduced proportionately."

Another series of "subject to" clauses in these contracts specifically name the sources of funds upon which the board of trustees expect to support the position and then clearly state that employes shall be paid, "subject to the continued allocation of funds for specific (federal, state, county) programs."

In one instance, the statement "payment for service under this contract shall be confined to the funds identified in the budget code or codes indicated." Several of the contracts included the specific codes from budget line items on the contract notice.

One state reported an instance where the state legislature refused to fund a line item position and thus eliminated the employment of the incumbent.

An additional provision of interest in one contract is the condition that the employee have no other contracts with other districts in the same state for professional services.

FORMAL CONTRACT FOR PRESIDENT (62 percent)

Of the contracts reviewed, most were unique documents with multiple specific provisions applicable only to the CEO of the college issuing the contract.

Generally the following sections are found in these contracts in varying order and specificity.

A. Term of contract
   1. Length of term
   2. Renewal provision
   3. Termination

B. Duties
   1. Performance review
   2. Physical or psychological

D. Salary

E. Benefits

F. Allowances
   1. Travel
   2. Housing
   3. Expenses

G. Leave, vacation, consulting, or professional association time allowed

H. Organization responsibilities
   1. Function--reports, to whom, does what
   2. Records

I. Conflict resolution

J. Unique items of interest

K. Ownership of files and documents

TERMS OF CONTRACT

The data and tables for this section are presented on page 6. Contract terms range from one to five years. Twenty-six percent of the contracts were for one year. Half of the one-year contracts are tied to tenure as a member of the faculty and thus assure job security beyond one year, but not as CEO.

RENEWAL PROVISION

Annual renewal or extension of the contract is specifically addressed in 41 percent of the contracts. Usually a date in March or April is established. If neither party--board or president--do not serve notice of non-renewal by that date, the contract term automatically advances one year.

These automatic extensions cluster about the one- to three-year contracts.

As one would expect, the automatic renewal provision in four- and five-year contracts diminishes and is usually not found in these long-term contracts.

There does not seem to be a clear relationship between evaluation and renewal of the contracts. No evaluation clause establishes a date for the completion of evaluation.

Independent college CEO appointments are open-ended. In a small number of the cases examined, a 90-day notice of termination is the only mention of extension or termination.

One contract requires the president to pay a cash settlement to the board if he resigns and does not fulfill the term of the contract.

TERMINATIONS

Board Initiated Terminations:

The failure of most contracts to include statements about termination leaves this unspecified in all but 10 percent of the sample.

Physical or mental disability is noted as the major reason for termination. In several instances the time is established, as in this case, "if--exclusive of sick, accrued sick leave for a continuous period of three months or more." Another contract uses the term "permanently disabled--unable to complete the duties under this agreement." Another uses 120-calendar days as the point for a proportionate salary reduction. One contract links the termination to 90 days beyond the date when accrued sick leave is exhausted.

Terminations for cause usually involve "willfully breaches or habitually neglects the duties--of this agreement." More specific terms include "conduct which is seriously prejudiced to the college, and may include--incompetency, violation of law, material breach of this agreement, cruelty, negligence, immorality."

Such clauses are generally linked to a written notice of charges and the right of the CEO to appear before the board in either public or executive session.

One contract calls for a minimum 30-day notice before any effective date. Most prorate pay to the day of termination.

Three of the contracts provide for termination at the pleasure of the board, but these are linked to full compensation to the end of the contract. One requires six months severance pay.

Two contracts call for binding arbitration in the event of board-CEO conflict on termination or other issues.

CEO Initiated Terminations:

Provisions for the CEO to terminate the contract in five or six instances calls for a 30-day notice. In one or two, a six-month notice is preferred.

DUTIES

Two percent of the contracts spell out the basic duties expected of the CEO.

This example is the most specific, "The president shall be the chief executive officer, and shall be directly responsible to the board. The president shall act--within the statutes, rules and regulations of the U.S., the state, and the local board--the execution of decisions made by the board shall be delegated to the president and his powers and duties shall be--is the official representative and spokesman of the college--and--responsible for the management, development, and coordination of all departments, divisions, functions of the college--shall administer and supervise all personnel--have control and supervision of all buildings, grounds, and equipment--shall provide professional leadership--do all things that are necessary or required to carry out full responsibilities of the office of the president."

Most contracts refer to an attached job description or established policies as expression of the duties to be performed.

EVALUATION

Performance

Only 8 percent of the contracts provide for evaluation of the CEO.

One contract calls for "a special meeting during each half-year for the sole purpose of discussing and evaluating the performance of the president and the performance of the board."

Another contract specifies that at the request of the president the board will set aside executive session time no more frequently than once a month to discuss "relationships."

One example of this provision reads, "The board agrees to evaluate the president annually by a process to be jointly determined by the board and the president. The exclusive basis for the annual evaluation shall be an annual set of objectives submitted by the president and approved by the board, which--becomes part of this contract. The president shall submit objectives--by June 1 of each year."

Physical

Some contracts provide for a physical examination "upon the request of the board at any time during the term of his contract--by a physician or physicians--selected by the administration from a list of no less than three names approved by the board--and allows the reports of this examination to be submitted to the board."

Six other contracts call for an annual physical examination to be paid for by the board and a report available to the board.

SAMPLE CONTRACTS

The following excerpts are examples of contract language found in the various documents submitted. These are direct quotes from the contracts.

Perhaps inclusion of these excerpts will supply language to express board intentions and will be useful to colleges where a new or improved contract is being written.

The contract paragraphs are arranged in the following order:

Appointment
Term
Reappointment
Duties
Extent of services
Housing
Of interest (provisions that are unique)
Automobile
Liability
Retirement
Sabbatical
Disability
Contract clarification or disputes
Physical exam
Documents and ownership
Evaluation
Discharge
Termination
Consulting/outside activities
Annual vacation
Moving expense

APPOINTMENT

THIS AMENDED EMPLOYMENT CONTRACT made and entered into this 3rd day of May, 1980, by and between the Board of Trustees of the Community Colleges, District No., hereinafter called "the Board" and _____ President of the College District, hereinafter called "the President," amending the employment contract entered into by the parties under date of July 1, 1982, as follows: The Board and the President for the consideration herein specified agree as follows:

***

The Board hereby appoints effective July 1, 1982, to be the President and chief executive officer of the college. This appointment shall run until June 30, 1983, or until such later date as determined by the Board. Extensions to this contract may be made by resolution or motion duly passed by the Board or by an executed addendum, which action should be reflected by an attachment to this basic contract for employment.

***

The term of this appointment shall be extended on an annual basis for an additional term of one year unless either party shall prior to March 1 of the then current year notify the other party in writing that it does not desire the appointment to be so extended. This extension shall reoccur annually unless such notice is given.

***

TERM

TERM: The Board, in consideration of the promises herein contained of the President, hereby employs, and the President hereby accepts, employment as President of Community Colleges, District No., for a term of three years and two months commencing on the first day of July, 19__, and terminating the 31st day of August, 19__.

***

That this contract is issued on a continuing basis and may be terminated by the Board of Education upon providing the party of the second part twelve (12) months advance written notice and is also subject to all provisions of the policies of the Board of Education covering administrative contracts.

REAPPOINTMENT

Notice of intent not to renew this contract must be given by either party in writing at least one (1) year before the expiration date. Failure to serve notice of intent not to renew shall extend this contract for one (1) additional year. The parties may extend this agreement with or without modification of its terms for an additional term at the end of any one year.

DUTIES

The President, in addition to the responsibilities above noted, shall, subject to ratification by the Board, organize, reorganize, and arrange the administrative and supervisory staff in such a manner so that, in his judgment, the aims and goals of the _____ Community College shall best be served. In this connection, the Board agrees that the administration of the instructional and business affairs of the College will be lodged with the President and administered by him with the assistance of his staff; that the responsibility for the selection, placement, and transfer of personnel shall be vested in the President and his staff, subject to the ratification by the Board; and the Board agrees that it will promptly refer to the President any and all suggestions, criticisms, and/or complaints which the Board has, or which are called to the attention of the Board, for investigation and recommendation by the President and his staff.

***

It shall be the duty of the President to act as chief executive officer of the college and to be responsible for the performance of duties by all subordinate personnel in the college, and he shall be responsible for carrying out such duties and responsibilities as are given to him directly by the Board or as may be set forth in the administrative policy or directives of the institution concerning duties of the President.

He shall at all times keep the Board fully informed of activities at the college, and especially those activities or issues which cause him apprehension regarding the functioning of personnel, budgetary problems, over-or under-enrollment of students, and shall provide to the Board whatever special reports, requests for information, or other items of information requested of him.

The chairman of the Board shall be the individual to whom the President reports informally between Board meetings, but any written material shall be distributed to all members of the Board.

The Board reserves the right in its sole discretion to assign or reassign the duties of the President during the duration of this contract.

***

DUTIES: The President shall have all the duties and perform all the services provided in the policy manual promulgated by the Board and in its job description of the position of President of the College District. He shall be the chief executive officer of the Board and the chief administrative officer of the District. This contract shall be classified as an administrative contract in accordance with said policy manual and all provisions of the policy manual of the Board and of applicable laws of the State of _____ shall be considered a part of this contract and embodied herein.

***

President and Board Responsibilities. The President shall be the chief executive officer of the Board. As such, the President shall have the primary responsibility for execution of Board policy, whereas the Board shall retain the primary responsibility for formulating and adopting said policy. The parties agree, individually and collectively, not to interfere with nor to usurp the primary responsibility of the other part.

***

The administrative officer or administrative staff member agrees to enforce the rules and regulations of the College and to promulgate these rules and regulations, to conduct himself at all times in a manner which shall not bring reproach or criticism upon himself or the College, and to promote the principles and ideals for which the College stands.

***

This contract of employment is executed by and between the Board of Trustees and the President with the mutual understanding that the Board of Trustees develops, formulates, and adopts policies of the institution, and the President, as the chief executive officer, carries out these policies. Both parties recognize that there must be a close working relationship not only administratively but philosophically concerning the operation of the institution and that the Board and the President will expend their best efforts to see that this is accomplished for the benefit of the students attending the college.

***

The President will exercise his duties with the College as full time and on a full year basis. The responsibility of the President shall be to take active charge of the management and operation of the College, subject always to the control and direction of the Board of Trustees and the policies, regulations and directives of The Board duly adopted. During the term of this Agreement, the President will devote all of his time and his efficient and conscientious effort to the management and operation of the College and the promotion of its interests. The President covenants that during the term of this contract he will not directly or indirectly engage in or carry on any other business or profession.

***

That the college president will have freedom to organize, reorganize, and arrange the administrative and supervisory staff which in his judgment best serves the _____ Community College District; that the administration of instruction and business affairs will be lodged with the college president and administered by him with the assistance of his staff; that the responsibility for selection, placement, and transfer of personnel shall be vested in the college president and his staff; and that the Board of Education individually and collectively will refer promptly all criticisms, complaints, and suggestions called to its attention to the college president for study and recommendation.

EXTENT OF SERVICES

The President shall devote his full time, attention and energies to the business of the college, and shall not during the term of this agreement or any renewal or extension hereof be engaged in any other business activity or accept any commitment outside his role as President which interferes with his duties and responsibilities or adversely affects his proficiency as Chief Executive of the college.

HOUSING

The employee will be paid an additional $400 per month as a housing allowance provided he resides in _____ County.

***

The College has acquired a house as a residence for the College President, and it is agreed by and between the parties hereto that the President will be obligated to reside therein in accord with his performance of duties required by this Agreement, which residence will be provided to him by the College without rent or cost. As a part of the duties and responsibilities of the President of the College, it is understood that off-campus meetings, entertainment and general contacts with the patrons, students and citizens is required. In addition to affording a place of residence, it is agreed between the parties that the residency will be employed generally in the promotion and accomplishment of the activities and interests of the College.

***

He shall be required to live on the College campus in the residence provided by the College rent-free and the College shall maintain said residence in reasonable repair, and pay all the utilities.

***

To pay _____ the sum of $400 per month as a housing allowance, provided he resides within seven (7) miles of the College campus.

***

That the COLLEGE will pay the PRESIDENT a gross housing allowance designating that the PRESIDENT shall reside in _____ County, in the annual amount of $1,500.00; said housing allowance to be paid in equal monthly installments of $125.00 per month commencing July 1, 19____ and ending June 30, 19____

***

THE SUPERINTENDENT/PRESIDENT shall be required by the Board, for the convenience of the Board and the College, to reside in the campus house located at _____ Utilities and maintenance of the residence and grounds shall be provided by the College.

***

OF INTEREST

For these services, the "BOARD" agrees to pay the "PRESIDENT" as follows: Salary, $_____ plus Maintenance Allowance, $9,600.00 for a total amount of Fifty-nine thousand, seventy-four and 81/100 Dollars ($59,074.81). This sum to be paid in monthly installments. The "PRESIDENT" will be furnished an automobile to use while on school business or will be paid mileage if he uses his personal automobile.

***

The College shall pay the President for reasonable and necessary expenses incurred in moving the President's family, furniture, household goods and related personal belongings from _____ to _____. The President shall submit an itemized statement of the expenses incurred. In addition, the College shall reimburse the President for monthly house payments on his _____ home for a period not to exceed six (6) months. If the _____ home has not been sold at the end of six months, this reimbursement shall be extended for an additional six months. The monthly reimbursement amount shall be paid only upon submission by the President of a statement each month that the home has not been sold and that he has made the monthly house payment.

The College shall provide the President with a housing allowance of Five Hundred Dollars ($500) per month, to be paid monthly. In addition, the College shall pay the difference between the amount of interest upon the mortgage on the _____ house at eight per cent (8%), and the rate upon the mortgage in _____ for the same amount obtained by the President for the house that he is purchasing. Additionally, the College shall pay the interest on any interim financing upon a principal amount not to exceed Fifty Thousand Dollars ($50,000) that may be necessary as an equity down payment upon the house the President is purchasing in _____.

***

Uniqueness of Position. The parties acknowledge and agree that the position and responsibilities of the President are unique, in that they require special education, training and experience, and further, in that the position and office of President occupy a separate and distinct professional status within the field of public education. For these reasons, the President desires that he be provided uninterrupted opportunity to continue and to advance in his chosen profession during his term of service to the District under this agreement; similarly, the District recognizes this unique professional status and agrees that any

termination or attempted termination of the president's employment for alleged material breach of this agreement, may cause substantial damage to the President in his career as a professional public school president, as a direct and foreseeable consequence of such termination or attempted termination.

***

Commencing in the calendar year 1981, the BOARD shall pay to the State Retirement System on behalf of the PRESIDENT the sum of $7,500 towards the purchase of the PRESIDENT'S out-of-state retirement benefits for his years of additional service outside the State of _____. In the event the PRESIDENT desires in any calendar year after 1980 to receive all or a portion of said $7,500 as salary, he shall advise the BOARD in writing of such desire in the amount so designated on or before December 31 of the preceding calendar year. In the event the PRESIDENT desires in any calendar year after 1981 to receive all or a portion of said $7,500 as another type of benefit other than salary as hereinbefore set forth, he shall advise the BOARD in writing of such desire, the amount to be allocated and specific nature of the benefit on or before December 15 of the preceding calendar year. The BOARD shall assent to such benefit change, other than salary, in writing, or such benefit change shall be deemed rejected.

***

SUPERINTENDENT-PRESIDENT agrees to perform the duties specified in the Education Code and to perform such other duties and functions as are imposed upon him from time to time by the Board of Trustees of DISTRICT, including the performance of all educational and financial matters pertaining to the operation of DISTRICT.

He shall make himself generally available to those seeking an audience, including the listing of a home telephone number and the reasonable use of his established home as a convenience to those needing to conduct college business outside of regular office hours.

***

The College shall provide in addition to the annual salary a tax-sheltered annuity in an amount equal to six point four per cent (6.4%) of his annual salary.

The College shall pay the premium to pay for life insurance coverage in an amount two and one-half (2 1/2) times the annual salary, comparable

to the policy in effect for administrators at the time of this agreement. The College shall also pay the premiums to provide long-term disability coverage comparable to the group long-term disability coverage plan provided for administrators at the time of this agreement, and accident and health insurance coverage for himself and for his family, comparable to the medical group health insurance plan provided for administrators at the time of this agreement.

***

The annual salary for a successive year shall not be less than the annual salary for the previous year.

***

Compensation. The base annual salary shall be as established by the Board and shall be subject to such increase at the end of each contract year as the parties may mutually agree upon, provided, however, that any salary increase shall not be less than the cost of living increase for the preceding contract year applied to the first Fifteen Thousand ($15,000) Dollars of the salary. The increase in the cost of living shall be determined by the Consumer's Price Index for Urban Wage Earners and Clerical Workers - Revised (United States, All Items) published by the Bureau of Labor Statistics, United States Department of Labor (1967 - 100).

AUTOMOBILE

AUTOMOBILE ENTITLEMENT: In light of the unique nature of the professional duties of the President, the Board shall provide to the President an automobile for use during the three year and two month term of this contract. The automobile during that term shall be fully maintained by the Board, including but not limited to keeping the automobile in safe, usable condition, and providing for all expenses incidental to automobile usage.

At the end of the term of this contract the President shall have the option of purchasing the said District owned automobile at the wholesale blue book price of the automobile at that time.

***

There shall be an automobile allowance of $6,000.00 for the 1981-82 fiscal year, payable in monthly installments of $500 which shall be complete reimbursement for university-related travel within 100 miles, one way, of appointee's office.

***

Use of compact automobile for business purposes. Maintenance, repairs, and insurance and operating expenses for the automobile will be paid by the College which will hold title to the automobile.

***

In addition to the compensation herein provided for, District shall furnish President for his use in the performance of his duties for the District an automobile owned or leased by the District; such automobile shall not be more than three years in age; and the District shall pay for all expenses incident thereto, including repairs, gas and oil, and insurance.

***

LIABILITY

PROFESSIONAL LIABILITY: The Board agrees to defend, hold harmless, and indemnify the President from any and all demands, claims, suits, actions and legal proceedings brought against him in his individual capacity, or in his official capacity as agent and employee of the Board of Trustees, provided the incident arose while the President was acting within the scope of his employment and excluding criminal litigation, to the extent such liability coverage is within the authority of the Board to provide under State law. Except that in no case will individual Board members be considered personally liable for indemnifying the President against such demands, claims, suits, actions and legal proceedings.

***

The Board of Trustees shall not, however, be required to pay any costs of any legal proceedings in the event the Board and the President have adverse interests in such litigation.

***

Liability insurance coverage for the acts or omissions of the President of the College under existing policy of the Board with insurance company or any other insuror which might be selected by the Board for such coverage.

RETIREMENT

SERVICE AFTER TERM: The President shall be awarded the title of President Emeritus for life effective at the termination of this contract on _____, 19____, with employee status which status will not entitle the President Emeritus to salary. However, the President Emeritus will render consultative services to the Board as requested by the Board from time to time, in exchange for which the Board will pay monthly premiums on whole life insurance during the balance of his life in the amount of _____ with double indemnity on the life of the President Emeritus, and will also pay premiums for health and major medical benefits policy on the President Emeritus, for the balance of his life. The whole life insurance with double indemnity herein mentioned shall commence as of _____, 19____, premiums being paid by the Board as above provided.

The consultative services to be requested by the Board under this provision shall be those services which may be assigned to the President Emeritus consistent with his professional and educational qualifications not to exceed 10 days per year. As President Emeritus he agrees to perform faithfully and discharge all duties so assigned to him by the Board.

SABBATICAL

After completion of his third year of service, the President may take a sabbatical leave equivalent to 60 non-service days. Dates of the leave are to receive board approval. During this sabbatical period, he shall receive full salary and benefits as provided in the contract, but if the President does not serve as President for a period of at least one year following his return from sabbatical, he shall repay the College a percentage of his sabbatical salary based upon the ratio of his subsequent service to the time served on sabbatical.

DISABILITY

In the event the President suffers a long-term illness (physical or mental) or other disabilities as certified by a physician, and has exhausted his sick leave, he shall continue to receive his full salary at the regular rate until the ninetieth (90th) day after the inception of the illness or disability.

After the ninetieth (90th) day, the Board shall pay the President sixty percent (60%) of his base annual salary rate during the shortest of these two periods: one year, or the time during which he is unable to perform the duties of the President because of his illness or disability. The Board may reduce this sum by the amount of social security, the Disability Salary Continuation Plan of the _____ Teachers' and State Employees' Retirement System and any other disability income accruing to the President during this period.

***

Should the President be unable to perform any or all of his duties by reason of illness and said disability exists for a period of more than 120 calendar days during any contract year, the Board may at its discretion make a proportional deduction from the salary stipulated for the period beyond the aforesaid period; and if such disability continues more than six months or if said disability is permanent, irreparable, or of such nature to make the performance of his duties impossible, the Board may at its option terminate this agreement whereupon the respective duties, rights, and obligations hereof shall terminate.

***

If in the good faith opinion of the President conflict exists as regards the defense to such claim between the legal position of the President and the legal position of the Board, the President may engage counsel of his own choosing, in which case the Board shall indemnify the President for the costs of such legal defense to the extent permitted by State law.

The Board shall not, however, be required to pay any costs of any legal proceedings in the event the Board and the President have adverse interests in such litigation.

***

Continuation of Salary

If the Employee becomes disabled during the employment term because of sickness, physical or mental disability, or for any other reason, so that

he is unable to perform his duties hereunder, the Board agrees to supplement the amounts Employee receives from disability insurance or the retirement systems to one hundred (100%) percent of his salary during such disability but not beyond the date specified herein for the end of the employment term.

***

Total disability for a period of ninety (90) consecutive days after exhaustion of available paid sick leave shall be a basis for termination of employment.

The term "total disability" means sickness or illness, regardless of cause, physical or mental, which results in the President being substantially unable to effectively perform his duties as President and his duties pursuant to this Agreement. President shall submit to physical or mental examination or both at the request of the Board, provided that such examinations shall be performed by licensed medical doctors.

CONTRACT CLARIFICATION

Clarification and Contractual Terms

Any disagreement or controversy between the SUPERINTENDENT/PRESIDENT and BOARD involving the construction or application of any terms, provisions, or conditions of this agreement shall, on the written request of either party served on the other, be submitted to arbitration and such arbitration shall comply with and be governed by the provisions of the _____ Arbitration Act, Sections _____ through _____ of the _____ Code of Civil Procedure. The BOARD and SUPERINTENDENT/PRESIDENT shall each appoint one person to hear and determine the dispute and, if they are unable to agree, then the two (2) persons so chosen shall select a third (3rd) impartial arbitrator whose decision shall be final and conclusive upon both parties. The cost of arbitration shall be borne by the losing party, or such proportion as the arbitrator(s) shall decide.

***

Arbitration:

Any controversy or claim arising out of or relating to this agreement or the breach thereof shall be settled by arbitration in accordance with the rules of arbitration as established under the state laws.

PHYSICAL EXAM

The PRESIDENT shall be required to have an annual physical examination by a licensed physician. The expense of such an examination, not reimbursed by the DISTRICT insurance program, will be borne by the DISTRICT.

***

That the college president does hereby agree to have a comprehensive medical examination each year; that a statement certifying to the physical competency of the college president shall be filed with the Board of Education and treated as confidential information by the Board of Education, the cost of said medical report to be borne by the college district.

***

The Administrator, at his expense, agrees to submit to the Board, if required, prior to the effective date of this contract written evidence of good health based on a medical examination, including a negative report of a Tuberculosis examination. The Administrator, at the expense of the Board, further agrees upon the request of the Board at any time during the term of his contract to submit to medical examination by a qualified physician or physicians to be selected by the Administrator from a list consisting of not less than three names approved by the Board, and to allow the report of this examination to be submitted to the Board with a copy being forwarded to the Administrator.

DOCUMENTS AND OWNERSHIP

Work Products

All correspondence, papers, documents, reports, files, films, work products, and all copies thereof received or prepared by the President in the course of performing, or as an incident thereto, his duties and responsibilities hereunder shall immediately upon such receipt and preparation become the exclusive property of the college for any and all purposes. All items described above shall be provided to and left with the college upon termination of this appointment.

EVALUATION

The Board of Trustees of College shall evaluate President in the Spring of 1981, and at least annually thereafter. Such evaluation shall be based upon criteria mutually agreed to by College and President.

***

The Governing Board shall meet with the superintendent in a special meeting during each half year for the sole purpose of discussing and evaluating the performance of the Superintendent and the performance of the Governing Board.

***

The Board agrees to evaluate the President annually by a process to be jointly determined by the Board and the President. The exclusive basis for the annual evaluation shall be an annual set of objectives submitted by the President and reviewed and approved by the Board, which objectives for 1980-1981 are incorporated by reference and become a part of this contract. Within thirty (30) days of initial employment date, the President shall submit objectives for the 1980-1981 contract year to the Board for review and approval. In 1981-1983, the President will submit annual objectives to the Board by June 1 of each year.

***

The Board shall provide the Superintendent with period opportunities to discuss Superintendent/Board relationships and to evaluate the Superintendent's personal records and performance at reasonable times set by the Superintendent or the Board president.

***

The Board shall evaluate and assess, in writing, the performance of President at least once a year during the term of this contract. This evaluation shall assess President's performance in relationship to his duties and the goals and objectives of the Board for the year in question.

***

President shall submit to the Board a recommended format for this written evaluation of his performance. The Board shall meet and discuss the evaluation format with President and the parties shall mutually agree on the evaluation format.

At least once a year, the Board and President shall meet in executive session for the purpose of evaluating the performance of President. In the event the Board determines that the performance of President is unsatisfactory in any respect, the Board shall describe, in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems President's performance to be unsatisfactory. A copy of the written evaluation shall be delivered to President. He shall have the right to make a written response to the evaluation. This evaluation and any response to it shall become a permanent part of President's personnel file. Within thirty (30) days from the delivery of the written evaluation to President, the Board shall meet with him to discuss the evaluation.

DISCHARGE

Discharge for Cause

The Board may discharge President during the term of this contract for cause. Cause for removal of President includes, but is not necessarily limited to, immoral or disreputable conduct, insubordination, and failure or refusal to perform the duties of his office as required by law. President shall be entitled to receive a notice of the charges in writing and a hearing before the Board. He shall have the right to be present at the hearing, to be represented by counsel, and to have a transcript made of the hearing. The hearing shall be conducted in executive session. If President elects to appeal the decision of the Board, he shall be entitled to receive a transcript of the hearing at no charge.

***

Dismissal for cause shall be effective no less than thirty (30) days from the delivery to Employe of a reasonable specific statement of the grounds and facts on which the District relies for such dismissal; provided, however, the District Board may suspend Employe from his duties, with pay, prior to the effective date of such dismissal. Employe shall be entitled, upon his request, to be heard, either in public or in private, in his own defense or extenuation at a formally-convened hearing of the Board, convened for that purpose only. Any such hearing shall extend due process to Employe, including confrontation and cross-examination of witnesses as in a judicial proceeding.

***

Nothing appearing in this contract shall affect the legal rights and privileges of either party in respect to a claim for breach of contract.

***

The President may be discharged for cause by the Board. A discharge for cause shall be deemed a dismissal of the President for conduct which is seriously prejudicial to the College, and may include, without limitation, incompetency, violation of law, material breach of this Agreement, cruelty, negligence, immorality, or for other sufficient reason or cause under the laws of the State.

Upon a majority vote of the Board to dismiss for cause, the President shall be given written notice of the Board's decision. The President shall be entitled to appear before the Board to discuss the notice of his dismissal. Such meeting may be in public session or executive session, at the option of the Board.

***

That throughout the term of this contract the college president shall be subject to discharge for good and just causes, provided, however, that the Board of Education does not arbitrarily or capriciously call for his dismissal and that the college president shall have the right to service of written charges, notice of hearing, and a fair hearing before the Board of Education. If the college president chooses to be accompanied by legal counsel at the hearing, said legal expenses will be incurred by the college president.

TERMINATION

Termination of Contract. This contract shall be terminated under the following events and conditions:

(a) Upon death or incapacity of the President;
(b) Upon retirement;
(c) Upon voluntary termination by the President with not less than six (6) months' written notice;
(d) By agreement of the parties;
(e) By the Board giving written notice of termination to the President without cause and without hearing, but upon payment of six (6) months' severance pay;
(f) For just cause, but with notice and hearing before the Board upon written request of the President.

Termination of Employment Contract

This employment contract may be terminated by mutual agreement of the parties, death or permanent disability of President. In case President shall be deemed to be permanently and totally disabled, the Board may terminate this contract on the date of certification of disability, subject in all events to partial pay as provided under Section _____ hereinabove.

***

Unilateral Termination by Board

If the Board shall terminate this employment contract without cause, the Board shall pay to President, as severance pay, all aggregate salary he would have earned under this employment contract from the actual date of termination date to the termination date set forth in this employment contract. In consideration of the severance pay, the requirement for a hearing of the reasons for termination as set forth in Paragraph ____ above shall be waived. In addition, the Board may pay the said severance pay in a lump sum or in equal annual, semi-annual or monthly installments not to exceed the term of this contract.

***

The college's financial commitment to the appointee in the position of President of _____ Community College extends only for the term of this contract. No specific notice is required for nonrenewal. The appointee may be relieved of his duties as president at any time at the pleasure of the Board of Trustees with payment of the salary and benefits for the remainder of the contract period. The notice provisions of the Code are applicable to the appointee's tenured position as a member of the faculty of _____ Community College.

***

Termination
(a) Without Cause

Neither the Interim President nor the Board shall have the right to terminate this contract without cause unless both parties agree to the conditions and terms of the termination.

(b) With Cause

In the event the Interim President fails to carry out the duties and responsibilities set forth in this contract or fails to carry out the duties and responsibilities as requested by the Board, the Board may terminate the contract during the period in which it is in effect by giving the Interim President notice of his failure to perform and granting him a hearing concerning those failures before the Board. During any such proceeding, the Interim President's duties may be reassigned, and he may be given other functions or projects, but the salary may not be diminished.

***

MODIFICATION

The terms and conditions of appointment set forth herein may be amended or modified by mutual agreement of the Board and Interim President. Such modifications may be made by resolution or motion duly passed by the Board or by an executed addendum, which action should be reflected by an attachment to this basic contract of employment.

***

TERMINATION WITHOUT CAUSE

The Board shall have the right, at any time during the term of this agreement or any renewal term hereof, to immediately terminate Employe without cause, by the payment or tender to him in lump sum, of all salary, accumulated vacation benefits, and retirement benefits that would be payable to Employe during the remainder of the current contract period.

Upon tender to the Employe of such lump sum, this contract will be deemed for all purposes terminated.

***

CONSULTING - OUTSIDE ACTIVITIES

While the President shall devote his time, attention and energy to the business of _____, he may serve as a consultant to other educational agencies, lecture, engage in writing activities and speaking engagements, and engage in other activities which are of a short-term duration, at his discretion, subject to the approval of the Chairman and notice to the Board. Any activities which require the President to be absent from _____ for more than three (3) full work days shall be submitted to the Board for prior approval.

The president may, at his option and with the approval of the Board, continue to draw his salary while engaged in the outside activity as described above. In no case will the Board be responsible for any expenses incurred by the President in the performance of outside activities.

***

Outside Professional Activities

With prior approval of the Board, the superintendent/president may undertake outside professional activities including consulting, speaking and writing; said outside professional activities may be performed for consideration provided said activities do not interfere with the normal duties of the superintendent/president.

ANNUAL VACATION

The Superintendent/President shall be entitled to twenty-four (24) working days annual vacation. Vacation may be accumulated, but shall not exceed a total of forty-eight (48) days. In the event of termination or expiration of the contract, the Superintendent/President shall be entitled to compensation for the unused portion of his vacation at the current per diem rate.

***

The President shall receive twenty-five calendar days of vacation annually in addition to legal holidays. Vacation shall be taken in the contract year in which it is earned. The time of the vacation shall be determined by joint agreement of the Chairman of the Board and the President.

***

The President shall be entitled to twenty-four (24) days of vacation per year accumulative to a maximum of sixty (60) days. Upon termination of employment, should the President have accumulative vacation days, then he shall receive payment therefor, and in no event shall payment exceed 30 days.

***

That, in addition to the annual twenty-two (22) working days vacation period granted the Second Party, an additional period of ten (10) working days annually will be granted the Second Party during the contract period in order to provide for study, travel, general professional development, and consultation. This time for study and travel must be used by the 30th of June following the end of the fiscal year in which it is earned.

MOVING EXPENSE

Board shall pay or reimburse President for his and his family's moving expenses to the extent the same shall be incurred, in respect to the cost and expense of a professional moving company transporting his and his family's household goods, furniture, appliances and the like, from old address to his initial place of residence within the College District.

***

In this regard, President shall use good faith efforts to obtain a minimum of three (3) estimates from moving companies, (one of which shall be, if possible, a company having its offices and facilities within this District). The President shall submit such estimates to the Board prior to his contracting with any such company.

Board's obligation to pay or reimburse the President for such moving expense shall not exceed the lowest of the three (3) said estimates, or the actual cost thereof, whichever amount shall be lower.

***

III

FACTORS INFLUENCING COMPENSATION

Any compensation system is a decision which balances a variety of considerations. The interests of the public, the college, and the president are basic elements in this decision. Equity in the decision also involves the compensation of other positions in the college as well as the market price for similar services in other colleges for persons with similar backgrounds and responsibilities.

RESPONSIBILITY

The primary responsibility of the president is to give leadership and direct the planning for the future of the college. Boards frequently seek to find a president whose experience is equal to the tasks confronting the college and view his compensation as an investment in the future of the college.

Compensation is, unfortunately, an admixture of policy and reward; a statement of the board's view of the future direction and style of operation it seeks when a president is selected, and a statement about the worth of these services to the college and the community.

In our present culture, salary is a subtle series of messages sent to a variety of publics. The president may be tempted to believe that salary represents the ultimate board and community evaluation of his effectiveness and service.

RELATIVITY

The variety of factors which legitimately influence compensation was best expressed in a recent AASA publication[1]. The factors are:

Equity
Rationality
Competitiveness
Retention
Job performance
Responsiveness
Career growth

[1]Compensating The Administrative Team, American Association of School Administrators, Arlington, VA., 1981.

While the compensation reported in this survey doubtlessly reflects all of these considerations, its weight in any single instance is shifted from year to year as the college evolves and changes bring new priorities into focus.

Unfortunately, the study sheds no light on the weighting assigned to these criteria by boards or presidents. It would be of interest to have a more sophisticated analysis of these aspects of the CEO-board relationship.

REWARD

Boards often use salary to express their approval and appreciation for services to the college. Pressure by unions and/or opposition by students or community groups may result in a termination or an extravagant raise in compensation.

While this study did not address the time a CEO spends on the affairs of the college, it probably should have. The CEO who is almost totally involved in college activities has little or no time for his own family or home duties. Compensation may be needed to hire others to do the household or personal chores that usually are done by an average householder.

Because no overtime is involved with these positions, compensation may actually involve more than 3,000 hours a year for job performance. When this exceeds the average 2,000-hour year by one-third or more, the CEO hourly compensation may actually be less than other professionals on the same campus.

RELATIONSHIPS AND EQUITY

Compensation takes into account the dynamics of both the college and the CEO. The organization grows in stages and it may require changes of leadership or leadership style as it adapts to its changing internal and external milieu.

A president has both professional and personal growth experiences and his contribution to the college will reflect these experiences in his own life, its needs, and strengths.

These needs and services, as expressed in the contract, are balanced at the opposite ends of the scale by the compensation portion of the agreement. If these are not properly balanced, one or both parties will likely be displeased with the relationship.

If good fences make good friends in the rural setting, then good contracts make for good working relationships between the CEO and the board in the college setting. The contribution, compensation and expectations must be in balance if the relationship is to be productive.

IV

SALARY

CEO MEAN SALARY

The mean salary for two-year college CEOs is $48,402.09.

ENROLLMENT

Table VIII shows the clear relationship between size of enrollment and CEO salaries. Statistically, 35 percent of the salary size can be explained by the size of student enrollment. This high correlation is the single most powerful relationship between any of the items examined.

CEO SALARY AND ENROLLMENT SIZE

TABLE VIII

ENROLLMENT SIZE AND CEO SALARY

FTE Enrollment	Mean Salary	Standard Deviation
1,000 or less	$40,296.91	$8,624.68
2,000 or less	44,553.20	6,508.32
3,000 or less	47,151.20	5,535.68
4,000 or less	48,394.74	7,182.62
5,000 or less	48,789.32	4,740.98
10,000 or less	52,643.15	5,840.29
15,000 or less	55,662.71	5,886.49
20,000 or less	59,639.72	7,041.87
20,000+	61,301.40	7,698.16

When mean salaries reported for each category are compared, the high correlation between college size and CEO salary level is clear.

The standard deviation is included to indicate the salary ranges for each category.

Within each enrollment category, salary ranges vary. At the 5,000 FTE size, the standard deviation reported is $4,740; but at the 1,000 FTE level, it is $8,624. Small college salaries show the widest range up to a high of $70,000.

CEO SALARY BY REGIONS

When the colleges are assigned to their regions and salaries for CEO s reviewed by these categories, other differences become apparent.

The Far West, or Region IX (Arizona, California, Hawaii, Nevada, Trust Territories and Guam), reports a mean of $55,781 for their CEO's salaries.

The South, or Region IV (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee), has a mean salary of $44,326.

The Upper Midwest, or Region V (Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin), is near the mean with $47,816 reported.

Lowest mean for a region is $43,768 for Region VII, the Midwest, which includes Iowa, Kansas, Missouri and Nebraska.

Highest salary mean reported is for Canada with a mean of $56,770.

TABLE IX

REGIONAL MEAN SALARIES FOR CEOS

Region		Mean Salary	
	Canada	$56,770	
I	New England	45,716	
II	Northeast	47,724	
III	Mid Atlantic	45,767	
IV	South	44,326	Mean
V	Upper Midwest	47,816	$48,402
VI	Southwest	50,159	
VII	Midwest	43,768	
VIII	Mountain	45,332	
IX	Far West	55,781	
X	Northwest	52,526	

TABLE X

RANK ORDER FOR CEO SALARIES BY REGIONS

Rank	Region	Mean
1	Canada	$56,770
2	Far West	55,781
3	Northwest	52,526
4	Southwest	50,159
5	Upper Midwest	47,816
6	Northeast	47,724
7	Mid Atlantic	45,767
8	New England	45,716
9	Mountain	45,332
10	South	44,326
11	Midwest	43,768

Northwest salaries include Alaska, Washington, Oregon and Idaho and are skewed by the special economic conditions in Alaska. If Alaska were not included, the other states in this region are lower than the mean salary at $45,792.

CEO SALARIES BY STATE

In addition to the size and regional variables which strongly impact salaries, one must also look at the state mean. As the data from these three are compared, the geographic factor and its related economic resources influence on equity can be compared.

TABLE XI
CEO MEAN SALARIES BY STATE

State & Area	(N) Colleges Included	1981-82 Mean Salary
Alabama	15	$40,608
Alaska	5	63,639
Arizona	10	50,226
Arkansas	8	39,958
California	77	57,612
Canada	3	56,770
Colorado	10	45,418
Connecticut	9	48,240
Florida	20	53,574
Georgia	8	46,425
Guam	1	36,000
Hawaii	3	38,700
Idaho	1	42,800
Illinois	32	50,578
Indiana	2	49,311
Iowa	14	45,313
Kansas	14	43,569
Kentucky	8	39,088
Louisiana	2	40,200
Maine	1	30,509
Maryland	10	49,030
Massachusettes	6	48,483
Michigan	16	48,988
Minnesota	7	39,980
Mississippi	11	39,738
Missouri	8	44,392
Montana	3	38,387
Nebraska	9	41,123
Nevada	4	52,188
New Jersey	11	48,624
New Mexico	5	48,157
New York	24	47,634
North Carolina	36	43,268
North Dakota	5	40,148
Ohio	21	46,139
Oklahoma	11	48,308
Oregon	12	48,307
Pennsylvania	12	46,950
Puerto Rico	1	39,999
Rhode Island	1	50,330
South Carolina	1	50,330
Tennessee	9	46,725
Texas	37	53,724
Trust Territories	9	40,092
Utah	4	45,725
Vermont	2	31,354
Virginia	15	42,950
Washington	21	52,755
West Virginia	2	43,494
Wisconsin	13	46,279
Wyoming	7	51,666

V

BENEFITS

HOME PROVIDED

Of the 418 colleges reporting on this item, 22.5 percent provided homes for the CEO. It is assumed that the colleges who failed to respond to this item do not provide homes. This being the case, the practice of providing a home for the CEO is found in 14.7 percent of the 639 colleges.

TABLE XII
HOME PROVIDED BY COLLEGE

	Colleges Reporting	Relative Frequency (PCT)	Adjusted Frequency (PCT)
Home Provided	94	14.7	22.5
No Home Provided	324	50.7	77.5
Not Reporting	221	34.6	Missing
TOTAL	639	100.0	100.0

HOUSING ALLOWANCE

Colleges provide a housing allowance for 10.2 percent of the cases, while 89.8 percent did not. In combination with those providing homes, 25 percent of the colleges (or one in four) supply either a house or cash allowance.

In three cases, the board housing allowance is conditional; the CEO must live in the college district or, in one case, within seven miles of the campus.

Three contracts specify the home provided is to be available and to be used for college meetings. One contract states "He shall make himself generally available to those seeking an audience, including the listing of a home telephone number and the reasonable use of his established home as a convenience to those needing to conduct college business outside of regular office hours."

One contract specifies that in consideration of the use of the provided home, the wife of the president will not accept full-time employment.

TABLE XIII
HOUSING ALLOWANCE

Dollar Allowances	Colleges Responding	Relative Frequency (PCT)
Less than $3,000	6	.9
Less than $5,000	33	5.2
Greater than $5,000	26	4.1
Not reporting	574	89.8
TOTAL	639	100.0

Among the independent colleges, twenty-one, or 39 percent, provide a house, and five, or 9.4 percent, grant cash housing allowances. Of those granting housing allowance, four out of the five grants exceed $5,000 per year.

The independent colleges with 20.3 percent providing housing or cash allowances differ little from the national pattern of 25 percent.

While 159 colleges provide either a house or a cash allowance, an interesting comparison of this benefit emerges.

Of the colleges under 5,000 enrollment, 25.7 percent provide a house or housing allowance.

Small colleges provide 60.4 percent of these prerequisites for the cases from which clear comparisons may be made.

When this benefit, clearly a small college phenomenon, is linked to the mean salary for these colleges ($45,921) and compared to the mean ($48,402), the housing provision more than offsets the difference between them.

TABLE XIV
HOUSE OR HOUSING ALLOWANCE BY COLLEGE SIZE

FTE Enrollment	Colleges Responding	House/Housing Allowance By Size Level (PCT)
5000 or less	373	25.7
10,000 or less	96	20.8
15,000 or less	32	18.7
20,000 or less	22	9.0
20,000 or greater	27	14.8
Size missing	89	20.0
Total	**639**	**24.8**

HEALTH BENEFITS

Medical Insurance

Nationally, the study discloses that 61.2 percent of the colleges provide medical care for the CEO, 31 percent of the colleges provide dental coverage, and 11.9 percent provide optical care insurance. insurance.

Only 575 of the colleges provided data for these items so the percentages reported are relative frequencies based on the 639 colleges participating.

In the case of independent colleges, 75.5 percent include medical insurance in the CEO contract. Public colleges in 63 percent of our study provide medical coverage.

Regional practices vary widely as shown by Table XV. The Northwest leads the nation with 87.2 percent, but the Northeast is almost equal with an 83.3 percent participation. The South and Southwest provide medical insurance in 27.6 percent and 36.5 percent, respectively.

The figures for optical and dental care should be carefully considered due to the small number of instances reported. Only about 16 percent of the colleges reported they provided optical care and 40 percent dental care. If one assumes that "no report" indicates these services are not provided, then the bottom line relative frequency may be assumed to be a close reflection of the actual practices.

TABLE XV
REGIONAL HEALTH BENEFITS

Region	Colleges Responding	Medical Insurance Frequency (PCT) (90% Reporting)	Dental Insurance Frequency (PCT) (40% Reporting)	Optical Insurance Frequency (PCT) (16% Reporting)
New England	19	73.7	26.3	5.3
Northeast	36	83.3	41.7	5.6
Mid Atlantic	39	79.5	30.8	2.6
South	117	27.6	0.9	N/A
Upper Midwest	92	82.4	46.2	11.0
Southwest	63	36.5	3.2	1.6
Midwest	45	60.0	20.0	2.2
Mountain	29	65.5	13.8	N/A
Far West	96	77.9	71.6	42.1
Northwest	39	87.2	76.6	48.7
	575			
Percent for 639 Colleges	90.0	61.2	31.0	11.9

Cost for medical insurance ranges widely with the maximum reported at $3,168 to a minimum of $300. The mean is $954 annually.

TABLE XVI
MEDICAL INSURANCE COSTS

Colleges Resp.	Ind.	Pubilc	Costs	Freq. (PCT)	Freq. Ind. (PCT)	Freq. Public (PCT)
147	12	135	Less than $500	25.6	30.0	25.2
170	16	154	Less than $1,000	29.6	40.0	28.8
234	12	222	Less than $2,000	40.6	30.0	41.5
24	-	24	$2,000 or greater	4.2	-	4.5
575	40	535		100.0	100.0	100.0

Dental Insurance

Two-hundred-seventy-three colleges responded to the dental portion of the questionnaire in contrast with the 575 responding to medical insurance questions. Dental insurance frequency is 31 percent for this study. Premium or cost to the colleges is best represented by the mean of $259. The highest reported dental cost was $993 annually.

In this instance, as in the medical insurance, no effort was made to determine details of the coverage provided. Our primary concern was to determine if the coverage is provided and what costs are involved.

Regional differences range from virtual non-existence in the South and Southwest regions, to a 70 percent frequency in the Far West and Northwest. This, like optical care, seems to be a Western phenomenon. This may be accurate, however, other regions may have failed to report on this but still provide the coverage.

Optical Insurance

Only seventy-six colleges provide optical insurance for CEOs. The cost here ranges upwards to $666 with the reported mean being $92.53 annually. This benefit is provided by 12 percent of the colleges.

Regional data in Table XV clearly show this type of benefit is seldom found outside regions IX and X and is largely a Western benefit.

TUITION BENEFIT

The colleges responding to this element report they provide total or partial tuition benefits for the family of the CEO in 43 percent of the cases. The spouse only is granted tuition benefits in 29 percent of the colleges responding.

One may conclude that no tuition benefits are available in 60 to 70 percent of the contracts and that this is not yet a standard practice.

PAID HOLIDAY PROVISION

Paid holidays vary from one to thirty days. Some confusion in distinguishing between paid holidays as distinct from paid annual leave or vacation seems to cloud these data. However, 65.6 percent of the colleges pay for 10 to 14 holidays. The standard practice seems to be around 11 paid holidays.

TABLE XVII
CEO PAID HOLIDAYS

Paid Holidays	Frequency (PCT)
1 to 9	21.5
10 to 14	65.6
15 to 20	9.8
20+	3.1
	100.0

VACATION PROVISION

Vacation days reported ranged between one and fifty. When ranked by frequency in Table XVIII, the 20- through 25-day vacation interval accounts for 71.3 percent of the colleges in this profile.

The four-week vacation would characterize 27.1 percent, while the five weeks or more than four weeks would be larger with 44.2 percent of the colleges following that plan.

TABLE XVIII
CEO PAID VACATION DAYS

Colleges Responding	Days	Frequency (PCT)
150	20	27.1
105	22	19.0
70	24	12.6
56	15	10.1
46	21	8.3
32	18	5.8
29	10	5.2
24	25	4.3
21	12	3.8
21	Other	3.8
554		**100.0**

CONTRACT DAYS

A small number of colleges avoid paid vacation days for administrative staff by contracting for 230 to 260 "service days" for which they pay. All "non-service days" correspond to the summer days for which faculty are not paid.

This practice is felt to provide greater equity because it does not grant "paid vacation" to one group of professional employees and deny it to another.

Of the small number responding to this section of the questionnaire, the 240-day contract was most common with 237 and 260 being the next frequencies reported. This complements the 2-4 week vacation profile found in Table XVIII.

RETIREMENT AND ANNUITY BENEFITS

Social Security

Social security mean for the year is reported to be $2,221. This is surprising because the annual cost is established by law.

The fact only 54 percent of the colleges responding here may reflect the conditions in many states where both a state retirement plan and social security are not required because the state plan excludes federal social security.

At any rate, 54 percent of the colleges reporting pick up this cost for the CEO.

State Retirement

The mean for state retirement benefits is $4,532. This represents 9.3 percent of the mean salary for CEO. Fifty-eight percent of the colleges report this is a benefit paid for the CEO.

TIAA or CREF Annuities

Five percent of the colleges provide these benefits in addition to the social security and state retirement plans. The cost to the college averages $4,162 annually for this benefit. This is 8.5 percent of the mean average salary for CEOs.

Other Annuity Contracts

Another 6.2 percent of the colleges contribute to annuity plans other than TIAA-CREF. This annual cost averages $3,487--slightly less than the TIAA-CREF level.

When the TIAA-CREF and other annuities are combined, 11.2 percent of the colleges provide annuity benefits for their CEO which averages $3,824 in additional benefits.

Life Insurance

Colleges provide life insurance for their CEO in 70 percent of the cases studied. The size of the policy range provided is wide, some as low as $1,000 but the maximum reported was for $899,000. Mean value for the policy provided was $56,824, and the annual cost to the college for this benefit was $326.

Accident Insurance

Fewer colleges provide this coverage. Only 16.4 percent pay for accident coverage on their CEO. When they do, the cost to the college is $140 per year.

The maximum reported size of the policy ranges upward from $600 to $999,939.

Disability Insurance

Forty-one percent of the colleges pay for CEO disability insurance spending an average of $268 per year for this coverage. The variety of policy provisions makes it virtually impossible to compare the benefits of these within the scope of this review.

Other Insurance

The variety of other insurance coverage, liability, etc., provided by the colleges should also be reported.

Almost 11 percent of the colleges spend an average of $254 annually for a variety of policies covering these benefits.

ALLOWANCES

Travel and Transportation Allowances

Travel allowance in the contracts usually includes an automobile and expenses. One contract specifies a new automobile annually, another calls for an automobile no more than three years old. For one case, a compact-size automobile is specified.

Vehicle provided

Of these contracts, 60 percent of the public colleges provide a vehicle for the use of the CEO; 64 percent of independent colleges. Operating expenses are included for these vehicles.

Vehicle expenses

Thirty-six percent of the colleges pay vehicle expenses for the CEO which averages $2,362. Another wide range from a high of $9,999 to a minimum of $300 is reported.

Independent colleges pay $2,492 of the CEO's vehicle expense.

Vehicle allowance

Where the contracts provide auto allowance rather than a vehicle, the monthly sum ranges between $200 and $600.

When the colleges report on a vehicle allowance in lieu of providing a car, the dollars range from a minimum of $300 to a maximum of $9,699.

The average vehicle allowance is $3,001 annually for 13.6 percent of the colleges utilizing this method of providing for CEO transportation. Independent colleges again provide a slightly higher allowance than public colleges at a level of $3,867.

CEO payments for vehicle use

A few (two or three) cases reflected recent IRS concern with these types of perquisites and require the CEO to reimburse the college on a monthly basis for personal use of the automobile. The average reimbursement by the CEO to the college is $30 per month.

Travel allowance

Some contracts specify another allowance either on an annual or monthly basis for travel other than local automobile expenses. A few contracts require a budget item be set aside for CEO travel. Too few cases are available to establish a profile of these practices. In most cases it appears to be an unwritten assumption that these expenses are paid by the board and college.

When the contracts speak to other travel out of district, there is a simple statement that the board will provide for these costs. In one instance, a limit of $150 a month is established. One contract requires a $50 payment by the CEO to cover personal use of the college vehicle.

Seventy-one percent report their college pays a travel allowance to their CEO for an annual average of $3,341. The range here is again broad--from $9,749 to a low of $100.

Housing

The value of the home provided the colleges in lieu of cash averages $6,428 annually. Another 10 percent grant a cash allowance for housing which averages $4,779 on an annual basis.

Combined, the data indicates that 25 percent of the colleges provide some housing assistance for the CEO at an average annual cost of $5,603.

Host Allowance

Almost 28 percent (27.8%) of the colleges provide a host account for their CEO which averages $2,231 annually. The range here is wide with the lower level around $600 and the upper at $9,949.

Expense Allowance

Another 12 percent of the colleges have an annual expense allowance which averages $2,861 for the CEO. Here the range between $200 and $9,799 is very wide.

The host allowance and the expense allowance considered together indicate that more than one-third of the colleges report some provision for CEO expenses at an average level of $2,591. This is difficult to clearly compare because some colleges provide this through other budget categories but do not break out the CEO position as a single line item.

Professional Dues and Expenses

Twenty-eight percent of the colleges provide a professional dues and expense allowance which average $798 annually. The maximum reported in this category is $8,225. One contract included "country club membership of president's choice."

OTHER BENEFITS

Other benefits not specified but provided by colleges account for 9.8 percent. The highest reported for this item is $9,993 with an average of $2,453.

SUMMARY OF BENEFITS

Not all colleges provide each type of benefit, so these are best looked at in descending order of frequency provided.

TABLE XIX

COLLEGE PAID CEO BENEFITS BY FREQUENCY AND DOLLARS

Benefit or Allowance	Frequency (PCT)	Annual Mean Expenditure
Travel Allowance	71.0	$3,341
Life Insurance	70.0	326
Medical Insurance	61.2	954
State Retirement	58.0	4,532
Social Security	54.0	2,221
Tuition - family	43.0	N/A
Disability Insurance	41.0	268
Vehicle Expenses	36.0	2,362
Dental Insurance	31.0	993
Tuition - spouse only	29.0	N/A
Professional Dues	28.0	798
Host Allowance	27.8	2,231
Accident Insurance	16.4	140
Vehicle Allowance	13.6	3,001
Housing Provided	13.4	6,428
Expense Allowance	12.0	2,861
Optical Insurance	11.9	92
Other Insurance	11.0	254
Housing Allowance	10.0	4,779
Other Benefits	9.8	2,453
Annuity Contracts	6.2	3,487
TIAA-CREF	5.0	4,162

Several efforts to present a credible mean which would be a valid indicator of the benefits in addition to salary proved more difficult than was anticipated. Missing bits of information in the reports led to a wide range of responses on the items being investigated.

This seems to indicate that there is an under-reporting of benefits, so any attempt to summarize and draw a profile of this portion of compensation must draw attention to these gaps in the report and subsequent possibility of error in using the available data.

However, rather than avoid the effort because of the chance for error, the available data does yield some information that with due caution noted above can be reviewed in Table XX.

Six-hundred, or 94 percent, of the colleges did report on segments of the benefits. If these are tabulated (Table XX), the mean salary for this group drops to $47,418 and the mean benefits are $13,258, or 28 percent, of the salary item.

The National Chamber of Commerce in Washington D.C. reported that the national average for benefits is 34 percent. This figure appears to include sick days, paid vacation and holidays. These are not included in the calculation of benefits for this study.

TABLE XX

CEO MEAN BENEFIT DOLLARS BY FTE ENROLLMENT SIZE

FTE Enrollment	Colleges Resp.	Mean Benefit Dollars	Standard Deviation
Less than 1,000	102	$11,206	$5,875
Less than 2,000	155	13,220	7,562
Less than 3,000	75	12,416	7,025
Less than 4,000	60	12,716	6,785
Less than 5,000	25	14,241	6,378
Less than 10,000	100	14,966	7,823
Less than 15,000	32	15,983	8,659
Less than 20,000	23	14,704	7,968
More than 20,000	28	13,661	7,399
	600	**13,258**	**7,309**

Regional benefits vary from $9,723 to $20,370. Table XXI outlines these differences along with their standard deviation.Standard deviations are included so that there wi'l be some indication of the range for each size category.

TABLE XXI
CEO MEAN BENEFIT DOLLARS BY REGION

Region	Colleges Represented	Mean Benefit Dollars	Standard Deviation
Canada	4	$20,370	$3,351
New England	22	10,926	8,062
Northeast	45	16,800	8,432
Mid Atlantic	41	11,671	6,161
South	136	13,107	7,619
Upper Midwest	98	14,028	8,385
Southwest	69	14,505	7,452
Midwest	47	9,723	5,403
Mountain	30	16,114	7,247
Far West	98	10,949	4,256
Northwest	40	14,034	6,019
	630	**$13,158**	**$7,248**

APPENDIX

PRESIDENT/CHIEF OFFICER COMPENSATION

SURVEY

Please give the full name of your college _____

_____

Please provide the figures requested below in the space provided.

1. Direct compensation:

   Salary $_____ (annual)

2. Retirement benefits (if college pays)
   a. Social security $_____ (annual)
   b. State retirement $_____ (annual)
   c. TIAA retirement $_____ (annual)
   d. Other _____ $_____ (annual)

3. Annuities (if college pays)
   a. Insurance (for retirement) $_____ (annual)
   b. TIAA or CREF $_____ (annual)
   c. Other _____ $_____ (annual)

4. Life insurance (if college pays)
   a. Policy face value $_____
   b. Premium college pays $_____ (annual)

5. Accident insurance (if college pays)
   a. Policy face value $_____
   b. Cost to college $_____ (annual)

6. Disability insurance (if college pays)
   a. Cost to college $_____ (annual)

7. Medical insurance (if college pays)
   (please check appropriate box)

   a. _____ Family, _____ only CEO
   b. Cost to the college $_____ (annual)

8. Dental insurance (if college pays)
   (please check appropriate box)

   a. _____ Family, _____ only CEO
   b. Cost to college $_____ (annual)

9. Optical insurance (if college pays)
   (please check appropriate box)

   a. _____ Family, _____ only CEO
   b. Cost to college $_____ (annual)

10. Other insurance—liability, etc. (if college pays)

    a. Total other $_____ (annual)

11. Expense or host allowances for CEO use.

a. Host allowance, receipts turned into college $_____ (annual)

b. Expense allowance/cash received, which is a part of IRS return $_____ (annual)

12. Housing
(please check appropriate box)

a. Allowance paid in lieu of house $_____ (annual)

b. Home provided _____ yes, _____no.
If yes, market value $_____ (annual)

13. Automobile
(please check appropriate box)

a. Cash allowance in lieu of vehicle $_____ (annual)

b. Vehicle provided _____ yes, _____ no

c. Operating expense, CEO pays $_____ (annual)
College pays $_____ (annual)

14. Tuition Benefits
(please check appropriate box)

a. Spouse _____ yes, _____ no.

b. Spouse and children _____ yes, _____ no.

15. Professional dues and memberships

a. Paid for CEO or a total allowance $_____ (annual)

16. Travel budget or allowance for CEO

a. Total $_____ (annual)

17. Other benefits not listed above:

a. Total other $_____ (annual)

18. Service contract, days or weeks
a. Paid holidays, _____ days per year
b. Vacation days, _____ (if contract is 52 weeks)
c. Contract days, _____ (if vacation is excluded)

19. Contract terms
(please check appropriate box)
a. _____ No contract
b. _____ One year
c. _____ Two years
d. _____ Three years
e. _____ Four years
f. Renewal process

(1.) _____ No annual renewal
(2.) _____ At end of term
(3.) _____ Annual review with extension for contract term (1-4 years)

bi
8/31/81

63
APR 16 1982

UNIVERSITY OF CALIFORNIA
ERIC CLEARINGHOUSE FOR
JUNIOR COLLEGES
96 POWELL LIBRARY BUILDING
LOS ANGELES, CALIFORNIA 90024
EE 36